PROVINCE OF SASKATCHEWAN

11-12

ANNUAL REPORT

SASKATCHEWAN TEACHERS' SUPERANNUATION COMISSION

Superannuation
Dental

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This annual report is available in electronic format at **www.stsc.gov.sk.ca**.

Letter of Transmittal

The Honourable Russ Marchuk
Minister in Charge
Teachers' Superannuation Commission

Sir:

The Teachers' Superannuation Commission has the honour to submit the Annual Report outlining activities under *The Teachers' Superannuation and Disability Benefits Act* for the year ending June 30, 2012 and *The Teachers' Dental Plan Act* for the period ending December 31, 2011.

Respectfully submitted,

Dr. Derwyn Crozier-Smith
Chairperson

2011 – 2012 Annual Report

The Saskatchewan Teachers' Superannuation Commission
129 – 3085 Albert Street
Regina, Saskatchewan S4S 0B1

submits the:

Eighty-second Annual Report with respect to
The Teachers' Superannuation and Disability Benefits Act for the Year Ended June 30, 2012 and

Twenty-seventh Annual Report with respect to
The Teachers' Dental Plan Act
for the Year Ended December 31, 2011

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Message from the Chairperson

On behalf of the Teachers' Superannuation Commission, I am pleased to present the 2011-12 Annual Report of the Saskatchewan Teachers' Superannuation Commission.

Financial markets have not been kind to investors over the last number of years. The sovereign debt in Europe continues to be a concern along with a weakening US economy plus signs that markets in China are softening. Despite the unpredictability of the investment markets, the Teachers' Superannuation Fund (TSF) had a positive investment return of 2.0% for 2011-12, which is an added value of 0.8% over the portfolio's benchmark. The long term view shows a 10 year investment return of 6.7%, which exceeds the Fund's benchmark by 0.5%.

Given the volatile markets in recent years and the TSF's legislative wind-up date of June 30, 2030 for the Fund's assets, the Commission wanted to reduce or manage overall risk (i.e. preserve capital) as the asset base declines to zero. During 2011-12, the Commission engaged its Investment Consultant, to conduct a de-risking optimization study on the asset mix for the TSF. The purpose of the study was to determine an appropriate asset allocation model for the TSF, taking into account its unique characteristics, need for cash flow and known wind-up date.

The Commission adopted a de-risking investment strategy that will begin in 2012-13. The TSF's investment policy was amended to reflect the de-risking investment strategy and will become effective July 1, 2012. The Commission will continue to monitor the asset base of the TSF and the progress and performance of the TSF de-risking model.

The Commission completed an actuarial valuation for the year ending June 30, 2011. The previous valuation was done two years earlier as at June 30, 2009. This financial snapshot in time assists the Commission in monitoring the growing unfunded liability that exists within the Teachers' Superannuation Plan. The Commission will continue to conduct biennial valuations.

The Commission acknowledges with sincere appreciation, the administrative team whose efforts resulted in another successful year of service to the membership. The Commission also expresses its appreciation to the Saskatchewan Teachers' Federation, the Superannuated Teachers of Saskatchewan, the school divisions and regional colleges and the administrative staff within the Ministry of Education for their respective contributions to the success of the Commission.

Dr. Derwyn Crozier-Smith
Chairperson, Teachers' Superannuation Commission

Profile

The Teachers' Superannuation Commission (TSC, the Commission) is established under *The Teachers' Superannuation and Disability Benefits Act*.

The Minister of Finance is the trustee of the Teachers' Superannuation Fund (TSF) while the TSC is charged with administration of *The Teachers' Superannuation and Disability Benefits Act*, *The Teachers' Dental Plan Act*, and *The Teachers' Life Insurance (Government Contributory) Act*.

The Province of Saskatchewan sponsors the TSF, with contributions also coming from plan members who are represented by the Saskatchewan Teachers' Federation (STF).

The Teachers' Superannuation and Disability Benefits Act is a negotiable matter under *The Education Act, 1995*.

The Teachers' Superannuation Plan was closed in July 1980, and a new plan was created, now known as the Saskatchewan Teachers' Retirement Plan, for which administration has been transferred to the STF.

As at June 30, 2012, the TSF has net assets available for benefits of $0.727 billion, actuarial pension obligations of $5.898 billion, and a deficit of $5.171 billion.

More on-line at www.stsc.gov.sk.ca

Plan Governance at a Glance

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Teachers' Superannuation Commission

Mission

The Commission's mission is to provide pensions and benefits for plan members through prudent stewardship of assets and liabilities and effective plan administration in accordance with current legislation.

Mandate

To attain this outcome, our organizational mandate is to administer the various Acts to ensure the provision of retirement and negotiated benefits to teachers. The various Acts (and regulations thereto) are:

- *The Teachers' Superannuation and Disability Benefits Act*
- *The Teachers' Life Insurance (Government Contributory) Act*
- *The Teachers' Dental Plan Act*

The TSC is not subject to the *Pension Benefits Act, 1992* except in relation to investments.

Objectives

Our specific objectives associated with this organizational mandate are:

- Communicate information and guidance to plan members
- Collect pension contributions from all participating teachers
- Accept additional contributions for the Voluntary Contributions Fund
- Calculate and distribute retirement benefits to teachers, spouses and dependents of deceased teachers
- Assess, review and provide disability benefits to eligible teachers
- Monitor the performance of the pension fund investments
- Negotiate and administer reciprocal transfer agreements with other jurisdictions
- Maintain appropriate financial records of the affairs of the Plan
- Manage accurate and timely dental claims administration in conjunction with the service carrier
- Administer the insurance claims associated with death and dismemberment in conjunction with the service carrier

Governance

The Commission reviewed its governance manual that is posted on the website. This manual is the key document directing the Commission's governance activity during the year. The manual facilitates the planning and tracking of progress in areas such as ongoing board education, strategic planning, board-self assessment, and monitoring of administration operations and management. The manual also addresses various overarching matters such as: conflict of interest, risk management, investment policy and monitoring, roles and responsibilities, and code of conduct.

Accountability

The TSC issues this annual report including audited financial statements supported by an actuarial opinion.

Commission Members

The TSC is responsible to the Minister in Charge for the administration of *The Teachers' Superannuation and Disability Benefits Act*, who at present is also the Minister of Education (the Minister).

The TSC consists of seven members appointed by the Lieutenant Governor in Council:

- Three members are nominated by the STF executive committee
- Three members are nominated by the Minister
- A Chairperson is nominated by the other six members

Appointments are typically for a term of five years and are eligible for reappointment.

Effective February 1, 2012, Shirley Humphries's five year term on the Commission expired. Dr. Humphries served on the Commission on two occasions, the first from December 7, 1993 to October 22, 1997 and was appointed again effective February 1, 2002.

To fill the vacancy resulting from Dr. Humphries's departure, Ms. Laurel Irving Piot, Senior Administrative Staff, STF was appointed to the Commission on February 29, 2012.

Effective April 24, 2012, Dawn Court resigned from the Commission. Ms. Court was appointed to the Commission effective December 2, 2009.

The Commission gratefully recognizes the contributions of Dr. Humphries and Ms. Court.

Commission members as at June 30, 2012 with background credentials are:

Derwyn Crozier-Smith, B.Ed., B. A., M.Ed., Ph.D. Chairperson Former STF General Secretary, Former STF Executive Assistant	
Brian Smith, B.A., M.ES Assistant Deputy Minister Ministry of Finance	**Daryl Nordick, B.Ed., B.A., P.G.D., M.Ed.** Senior Administrative Staff Saskatchewan Teachers' Federation
Clint Repski, B.Admin, CA Senior Policy Advisor, Cabinet Planning Executive Council and Office of the Premier	**Murray Wall, B.Ed., B.Sc., M.Ed.** Senior Administrative Staff Saskatchewan Teachers' Federation
	Laurel Irving Piot, B.Ed., P.G.D., M.Ed. Senior Administrative Staff Saskatchewan Teachers' Federation

	Meeting attendance	Expiration of term
Derwyn Crozier-Smith	10 of 10	May 18, 2016
Brian Smith	8 of 10	October 22, 2012
Daryl Nordick	10 of 10	October 20, 2015
Murray Wall	10 of 10	July 1, 2014
Clint Repski	8 of 10	August 20, 2013
Shirley Humphries	7 of 7	February 1, 2012
Dawn Court	6 of 9	December 2, 2014
Laurel Irving Piot	3 of 3	February 28, 2017

Commission member role and responsibilities

It is the collective responsibility of the members of the Commission to:

- Fulfill the mission statement
- Administer the Plans in compliance with governing legislation
- Determine any question as to the application of *The Teachers' Superannuation and Disability Benefits Act*
- Review all applications for disability benefits
- Establish investment policy and monitor investment performance
- Promote awareness and understanding of the Plans
- Monitor management and administration of the Plans
- Report annually to the Minister of Finance

Commission Strategic Plan: Key Functions, Objectives and Actions

To fulfill its statutory obligations and to address challenges and opportunities, the Commission updated its Strategic Plan in December 2011. The Strategic Plan contemplates a number of risks identified in the Risk Assessment and Management Plan.

The Strategic Plan outlines four key functions:

1. Governance
2. Administration
3. Member Services
4. Affiliate Services

Each Key Function involves a number of Strategic Objectives that the Commission and its Executive Director review and revise on an annual basis in accordance with the TSC's governance manual. These Strategic Objectives indicate where the TSC is headed, at least in the foreseeable future.

For each Strategic Objective, the Strategic Plan highlights various Strategic Actions that the Commission will do to carry out the TSC's purpose of providing appropriate pension, long-term disability, dental and group life insurance benefits to relevant Saskatchewan members.

The application of the Strategic Plan is designed to highlight and communicate the nature of the services provided by the TSC and is intended to maintain the focus on activities that best address relevant risks and ensure statutory obligations are being met. The Strategic Plan is structured to be concise, practical, and manageable, relying on reference documents that contain greater detail (i.e. risks, communication, information systems) and facilitates healthy governance in identifying measurable objectives through which measurement against plan and reporting can occur.

Commission Strategic Plan: Key Functions, Objectives and Actions

1. Governance

The Commission's governance processes:

- Ensure the Commission carries out its purposes as set out in relevant legislation for the: Teachers' Superannuation Plan, Disability Benefits Plan, Dental Plan, and Group Life Insurance Plan;
- Exhibit leadership in fulfillment of fiduciary duty;
- Establish TSC policies; and
- Provide an operational and governance framework; communicate and report on it.

Strategic Objective	Strategic Action
Monitor, evaluate and report on the effectiveness of the TSC's governance structures ensuring compliance with relevant legislation and policies.	➢ The Commission follows an annual planning calendar that is part of its Strategic Plan; ➢ At its annual planning meeting in December 2011, the Commission reviewed, revised and approved its Strategic Plan for 2011-12; ➢ The Commission reviewed, revised and approved amendments to its Governance Manual at its March 2012 meeting; ➢ Commission members completed self-assessments and submitted signed conflict of interest declarations; ➢ The Commission conducted an actuarial valuation as at June 30, 2011. The superannuation valuation was filed with the Canada Revenue Agency. The valuation also included a financial projection report that estimates the superannuation allowances payable for the next 75 years; and ➢ In April 2012, the Commission reviewed its Investment Policy and Objective Statement (IP&OS) to ensure the clarity of its policies and reflects industry best practices. The IP&OS was also amended to reflect the Commission's de-risking investment strategy.
Encourage and foster a shared understanding of the TSC's governance structure and organizational processes within government, teacher membership and associated agencies.	➢ The Commission maintains regular communication with the Ministries of Education and Finance with respect to the funding requirements from the General Revenue Fund for the superannuation, disability and benefit plans;

	➢ The Commission tables an annual report that outlines the activities of the TSC and its governance for the Teachers' Superannuation Plan, Teachers' Disability Benefits Plan and Teachers' Dental Plan. The annual report is widely distributed and is accessible on the TSC website for all interested parties; ➢ The Commission also tables a separate annual report on the activities of the Teachers' Group Life Insurance Plan; and ➢ Two newsletters are mailed on an annual basis. One newsletter is directed at the active members in the superannuation plan and the other is targeted towards the superannuated members.
Encourage innovation in the identification and analysis of ways to add value and manage risks.	➢ The Commission received multiple educational presentations throughout 2011-12. Sessions included communication for membership to better understand their benefit plans, de-risking investment strategies and investing in Real Estate pooled funds; ➢ The Commission met with its private equity investment manager to discuss the investment performance of its two international private equity funds. Topics discussed included investment strategy, market conditions with respect to private equity acquisitions and the eventual divestments of the private equity fund; ➢ At its December 2011 meeting, the Commission reviewed and revised its Risk Assessment and Management Plan to identify key risks and how to manage those risks; and ➢ The Commission conducted a de-risking optimization study on the TSF asset mix to determine an appropriate asset allocation.

2. Administration

The Teachers' Superannuation Commission's Administration;

- Provides support for the provision of pension allowances, disability, dental and group life insurance benefits to teachers in accordance with legislation;
- Maintains and safeguards the TSC's assets directly and indirectly through agents and advisors;
- Supports the Commission and government agencies as requested;
- Implements Commission policies and directives;
- Adds value and manages risks associated with the TSC's business portfolio; and
- Enriches and develops the TSC's human resources.

Strategic Objective	Strategic Action
Ensure effective operation of the TSC's governance structure in accordance with legislation and policies.	➢ At all meetings, the Commission receives an updated plan activity chart that allows the Commission to effectively monitor the ongoing activities of the Commission and TSC Administration to ensure action items are completed.
Establish and implement effective ways to carry out the TSC's Key Functions and Strategic Objectives.	➢ At its annual planning meeting in December 2011, the Commission refined its strategic plans after approving a revised risk assessment and management plan; ➢ In October 2011, the Commission evaluated the performance of its agents and advisors to whom it has delegated certain responsibilities. The Executive Director contacted each agent and advisor and provided a copy of their performance evaluation; ➢ On a quarterly basis, the Commission met with its investment consultant, Aon Hewitt to review the performance of the investment returns as it compares to benchmarks. The Commission met with the plan fund manager, Greystone Managed Investments twice in 2011-12 to review investment performance of the Fund; ➢ The Commission met with the private equity fund manager, GE Asset Management, to monitor the International Private Equity investment portfolios;

	➢ Commission members and TSC staff attended various educational sessions in 2011-12; ➢ Along with its information technology service provider, the Commission maintains an information technology plan for disaster recovery that integrates with a business continuity plan for its information systems; ➢ In December 2011, the Commission reviewed and approved its Communication Plan. The Communication Plan is aligned with the overall Strategic Plan and TSC Governance Manual, and; ➢ The Commission maintains and reviews an effective Risk Assessment & Management Plan.
Provide effective oversight of the administrative operations of the TSC.	➢ The Commission receives regular updates on the progress towards fulfilling the recommendations made by the Provincial Auditor of Saskatchewan; ➢ The Commission annually evaluates the performance of the Executive Director utilizing the management performance tool, *Planning for Success* ; and ➢ The Commission receives quarterly financial reports on the financial operations of the TSC as well as all pension and benefit plans under administration.

3. Member Services

The TSC acknowledges the importance of service to teachers. For member services the TSC will:

- Assist/Enable teachers to understand the options available to them respecting their pension, disability benefits, dental and group life insurance coverage;
- Support teachers through timely, responsive and appropriate communication; and
- Render services with personalized care and attention, with integrity, fairness and efficiency.

Strategic Objective	Strategic Action
Identify and assess performance measurement against relevant service standards.	➢ The TSC Staff provide care and attention to the quality of service provided to teachers for all plans under administration; ➢ Management regularly reviews its policies and procedures to ensure it is meeting its statutory requirements for the teacher pension and benefit plans; ➢ The TSC staff collaborate with the insurance carrier to implement the most efficient processes to administer the benefit plans, and; ➢ Administration meets annually with the insurance carrier to review service standards and claim turnaround times.
Ensure continuity and consistency of service received.	➢ The TSC has implemented procedures and processes for cross-training to maintain high quality service and ensure adequate segregation of duties to mitigate risk to superannuation and benefit plan monies.

4. Affiliate Services

The TSC interacts with a number of affiliate parties when delivering services to teachers. For affiliate services the TSC will:

- Support teachers through cooperative, progressive relationships with teacher related organizations (i.e. School Divisions, Saskatchewan Association of School Business Officials (SASBO), League of Education Administrators, Directors and Superintendents (LEADS), etc.); and
- Work with the Saskatchewan Teachers' Federation (STF) and Superannuated Teachers of Saskatchewan (STS) where possible and invited to do so in support of Saskatchewan teachers.

Strategic Objective	Strategic Action
Seek collaboration and initiate activities that increase service to membership or add value and minimize risk to teachers or the people of Saskatchewan.	➢ When requested by the STF, the TSC Administration staff attends STF sponsored retirement planning seminars and provides pension projections for seminar participants; ➢ The TSC staff communicate regularly with school divisions to continue the efficiency of remitting teacher contributions for the superannuation and group life insurance plans; and ➢ Maintain an open dialogue with the STF and STS to best serve the needs of current and superannuated teachers.

Administration

The TSC employs an Executive Director and staff required for administration of the various legislation and commission policies and is independent from management.

The administrative team consisting of 12.9 full time equivalent employees is responsible for all the administrative functions that result in meeting the objectives outlined earlier and includes the strategic and operating unit work plans, financial and business decisions, evaluation of results against these plans, and reporting of activity to Commission members. Refer to the governance manual for further elaboration of management's roles and responsibilities.

The administrative team also highlights certain policy decision items to the Commission members, including relevant recommendations, and responds to requests for information or onward execution as requested by Commission members.

Administration works very closely and cooperatively with the Saskatchewan Teachers' Federation to ensure seamless delivery of consistent, high-quality services to teachers across the province. This is particularly true in relation to the annual retirement planning sessions facilitated by the Saskatchewan Teachers' Federation. Collaboration on these retirement oriented activities ensures the teachers of Saskatchewan have the opportunity to be informed through group and one-on-one counseling sessions.

Management formally communicates to Commission members on the operational activities at the regularly scheduled meetings, in addition to ad-hoc communications on various matters. The Commission conducts performance evaluation of management against established objectives.

The $1.5 million operating budget of the Commission is paid out of monies appropriated by the Legislature.

Consultants

The TSC, as part of fulfilling its fiduciary duty in relation to the assets of the funds and as part of good governance, may acquire specialist competencies. This may include the engagement of technical, professional or other advisor, specialist or consultant services. Given the specialist knowledge required in investment management, defined benefit plan valuations and calculations, and pension administration software, the TSC does engage a number of outside consultants and advisors.

Actuarial consulting firms assist with the development of the investment policy guidelines, propose assumptions and perform the calculations of benefits for marriage breakdown, commuted value payments, and actuarial present value for the purpose of transfer agreements. Actuarial services are also required in preparing a valuation of the Plan and for cash flow projections. The current actuary for the plan is Aon Hewitt.

Investment managers provide the necessary expertise in managing the pension assets in compliance with the asset mix guidelines to ensure risk-adjusted returns are maximized and achieve performance at or above the established performance benchmarks. Quarterly performance reports and presentations are provided to Commission members. Greystone Managed Investments Inc. is responsible for managing the assets with the exception of private equity managed by GE Asset Management.

State Street Corporation, the investment custodian, provides compliance reporting on a quarterly basis and all results are reported to Commission members.

Aon Hewitt also assists the Commission as an investment advisor by monitoring performance of the investment managers. Reports and presentations are provided to Commission members quarterly.

When required, legal consultation is provided by either the Ministry of Justice or private legal counsel. Legal advice provided to the Commission ensures all legal obligations are fulfilled.

Specialized information technology services are purchased to ensure the critical pension administration system, retirement management and payroll systems, disability systems and backbone network systems are securely maintained.

Valuation

The Commission has historically reviewed the valuation assumptions bi-annually and does so in consultation with the actuary. The 2011 valuation assumes the interest rate for valuation purposes to be 4.5% per annum for 2012 to 2020, 4.35% per annum for the next 10 years, and 4.25% per annum thereafter. The phased declining interest rate represents the increasing mix of implicit public sector debt (which has a lower cost) versus pension assets in relation to the funding status of the pension liabilities. The financial statements in this report are based on an extrapolation of the June 30, 2011 valuation results. The total deficit as at June 30, 2012 is $5.17 billion.

The legal obligation to pay pensions to the teachers of Saskatchewan in accordance with the provisions of *The Teachers' Superannuation and Disability Benefits Act* rests with the government of Saskatchewan.

Investments

The segregated funds of the Teachers' Superannuation Fund assets and all of the Voluntary Contributions Fund (together known as the Teachers' Superannuation Plan or the "Plan") are held in trust by State Street Corporation, custodian of the investments on behalf of the Plan. Custodial fees of $55,843 (2011 - $68,202) and $129,599 (2010 - $193,576) for brokerage fees were paid to State Street Corporation for 2012. Greystone Managed Investments Inc. is responsible for investing the funds. Investment fees paid to Greystone Managed Investments Inc. for 2012 were $1,652,959 (2010 - $2,075,291). Investment management fees for private equity paid to GE Asset Management for 2012 were $731,541 (2010 - $948,744). State Street Corporation is also the custodian for the pooled fund investments on behalf of Greystone Managed Investments Inc. and its sub-advisors Goldman Sachs Asset Management and Hansberger Global Investors.

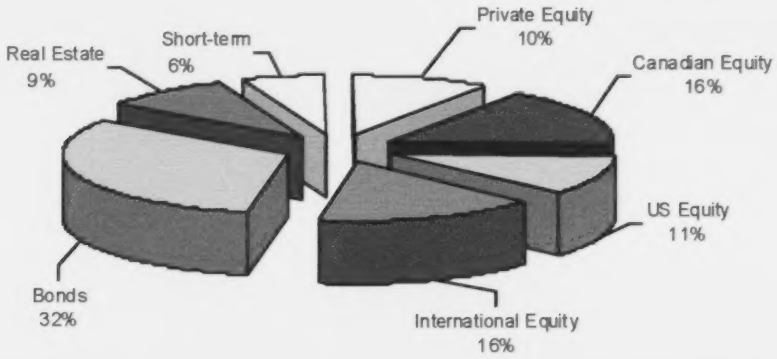
The TSC with the assistance of the investment manager, investment consultant, and actuarial consultant develop investment policies, strategies and objectives for each fund of the Plan. The Investment Policy & Objectives Statement (IP&OS) details the asset mix guidelines, and a benchmark portfolio against which the performance of the investment managers is measured. Individual asset class performance is also measured against their relevant, respective indices. The current IP&OS is posted on the website.

In meeting with its investment consultant, the Commission reviews its IP&OS annually. A key aspect of risk is managed through adequate portfolio diversification. Working in conjunction with the asset manager, investment consultants and actuary, the desired risk-adjusted return is established.

IP&OS asset mix guidelines for the TSF as at June 30, 2012

	Minimum %	Maximum %
Canadian Equities, Large Cap	10	25
Canadian Equities, Small Cap	0	10
Total Canadian Equities	***10***	***35***
U.S. Equities, Large Cap (Unhedged)	0	21
International Equities (Unhedged)	0	30
Total Foreign Equities	***10***	***35***
Private Equity	0	7
Total Equities	***30***	***60***
Nominal Bonds and Short Term	30	60
Real Return Bonds	0	5
Total Fixed Income	***30***	***60***
Real Estate	0	12

TSF portfolio asset mix at June 30, 2012



TSF Rates of Return – Periods to June 30, 2012						
	1 Year		4 Years		10 Years	
Asset class	Return	Bench mark	Return	Bench mark	Return	Bench mark
	%	%	%	%	%	%
Canadian Equity	**-9.1**	**-10.3**	**-2.2**	**-2.5**	**8.9**	**7.3**
U.S. Equity	**7.9**	**11.4**	**1.8**	**3.9**	**1.7**	**1.2**
International Equity	**-11.6**	**-9.0**	**-5.2**	**-4.8**	**1.1**	**1.0**
Bonds	**9.1**	**9.5**	**7.5**	**7.0**	**6.9**	**6.5**
Real Estate	**15.4**	**n/a**	**8.1**	**n/a**	**14.1**	**n/a**
Total Fund	**2.0**	**1.2**	**3.0**	**3.0**	**6.7**	**6.2**

To reflect the declining asset base, the Commission will be adopting a de-risking strategy that becomes effective July 1, 2012. The TSF's asset mix will experience a gradual reduction in return seeking, risky assets until 2018. Beginning in 2019, the allocation to return seeking assets will be increased gradually until 2025. The re-risking phase acknowledges the reduced asset base and the lower impact higher risk assets will have on overall TSF market values after 2018.

Pension Administration Systems

The pension administration software is crucial for the tracking of service, contributions, refunds, purchases, crediting of interest to teacher accounts and pension estimates.

During the year, upgrades to the administration software took place to ensure the underlying operating systems are actively supported by the various providers, and to permit increases in capacity and web-accessibility in the future. Risk related to data and system conversion are appropriately planned and managed to ensure data and system integrity.

The Commission contracts with two long-term outside information technology providers, ESTI Consulting Services and James Evans Associates (JEA) Limited. These two service providers possess the current and specific competencies needed to manage the risks effectively.

Risk Management

As part of governance processes, the Commission adopted a risk assessment and management plan whereby key risks are identified, along with identification of how risks will be managed and who is responsible. The outcome of this approach is to provide cost-effective management of risk and to create opportunities to add value. The following are potential risks that could adversely affect the operation of the Plan:

- Risk of loss associated with non-compliance with laws, rules, regulations, prescribed practices or ethical standards within jurisdiction of operation
- Risks arising from inability to implement appropriate business plans, strategies, decision-making, resource allocation and inability to adapt to changes in the business environment
- Risk of direct or indirect loss resulting from the inadequate or failed internal processes, people, system or from external events and
- Risk associated with direct or indirect loss resulting from market events and investment related profiles

The Commission reviews and updates its risk assessment and management plan on an annual basis.

Communication

Timely and transparent communications are an essential element of good pension governance. The Commission strives to achieve effective communication with its teacher members.

Federal and Provincial legislation in the area of privacy along with the implementation of the Privacy Framework within the Province will not only serve to protect the interests of teachers but mitigate the related risks and concerns. This privacy legislation is impacting communication not only in relation to what type of information is communicated from the pension plan, but also in assessing what the Commission collects directly from members.

In addition to this annual report and the annual statements to members, the TSC website and email have become increasingly important as the preferred tools of communication and information exchange. The website provides considerable information:

- Downloadable forms for Dental, Group Life Insurance, Disability, Reciprocal Transfers, and personal information change forms
- Information, including Frequently Asked Questions on Dental, Pension, Disability and Group Life Insurance
- Various legislative Acts and Regulations administered by the Commission
- Policies and responsibilities adhered to by the Commission
- Recent annual reports, superannuate and annual statement letters
- Contact information
- Governance manual
- Strategic Plan
- Investment Policy & Objective Statement

More on-line at www.stsc.gov.sk.ca

Teachers' Superannuation Plan

The Teachers' Superannuation Plan was inaugurated on July 1, 1930 and became a closed plan in 1980. The Teachers' Annuity Plan was established for new teachers who had not previously taught in Saskatchewan and certain teachers who chose to transfer from the old formula plan. Through provincial negotiations, the Annuity Plan later became the Saskatchewan Teachers' Retirement Plan (STRP) administered by the Saskatchewan Teachers' Federation.

Highlights

As at June 30	2012	2011
Active Members	970	1,211
Inactive Members	4,234	4,410
Pensioners/Survivors	11,361	11,217
Disability Recipients	159	197
July 1 Retirements	137	190
Total Members	16,861	17,225

From July 1, 2011 to June 30, 2012 a total of 339 (2011 – 416) new allowances were granted.

On January 1, 2012 a Cost of Living Allowance increase of 2.3% (2011 – 1.3%) was applied to pension allowances and disability benefits.

Investment earnings of 0.67% (2011 – -1.33%) were credited to teachers in the Teachers' Superannuation Fund. These earnings include only 25% of the current period change in fair values of investments and 25% of each of the previous 3 years' change in fair values (including both realized and unrealized gains and losses) in accordance with the policy established for administrative purposes by the Commission.

The Teachers' Superannuation Commission administers a Voluntary Contributions Fund, which allows active teachers to make additional tax-deductible contributions that are invested separately from the mandatory superannuation contributions.

The investment earnings of -1.11% (2011 – 11.9%) were credited to the Voluntary Contributions Fund. There are 102 members (2011 – 114) with contributions in the Voluntary Contributions Fund.

Teachers' Group Life Insurance Plan

The Teachers' Superannuation Commission administers the Teachers' Group Life Insurance Plan for active and superannuated teachers. An annual report for activities of the group life insurance plan will be tabled under separate cover for 2011-12.

Teachers' Disability Benefits Plan

Disability benefits are available when a teacher is physically or mentally incapacitated and unable to teach. All payments are a charge on and payable from the General Revenue Fund of the Province of Saskatchewan, pursuant to Section 38(2) of *The Teachers' Superannuation and Disability Benefits Act.*

Eligibility

Teachers who participate in The Teachers' Superannuation Plan are eligible for benefits from this Plan. The Plan provides benefits based on a formula incorporating years of service and average earnings. To be eligible, a teacher must have 10 years of eligibility service of which three years are in the five years immediately preceding the disability date, be under the age of 65 and the disability continues beyond 60 days. The disability payment commences when the sick leave benefits from a school board cease.

Medical evidence is required from two physicians verifying the disability. Ongoing eligibility for benefits is confirmed by periodic medical reviews.

Teachers who are partially disabled and teaching on a part-time basis are entitled to benefits in proportion to the non-teaching time.

A teacher's disability benefit ceases on the earliest of:
(a) the commencement of a pension allowance;
(b) the attainment of age 65 by the teacher; and
(c) the death of the teacher.

At June 30, 2012, 159 teachers (2011 – 190) were in receipt of disability benefits from the Plan. Teachers are also encouraged to apply for disability benefits from the Canada Pension Plan. If benefits are not payable from the Canada Pension Plan, the amount payable by the Teachers' Disability Benefits Plan is increased accordingly.

Highlights

As at June 30	2012	2011
New Applications	22	15
Medical reviews	134	166
Return to teaching	3	7
Commenced Superannuation Allowance	50	50
Deceased	2	1

At each meeting, the Commission receives new disability applications, grants benefits to the teachers who meet the eligibility requirements and sets dates for follow-up medical reviews. Administration reviews subsequent medical reports for teachers already approved for benefits and submits a report to the Commission for approval of continued benefits. During the year, the Plan paid disability benefits of $3.4 million (2011 - $4.4 million).

Valuation

The most recent valuation was performed at June 30, 2011 and extrapolated to June 30, 2012. The total unfunded liability as at June 30, 2012 is $9.1 million.

Teachers' Dental Plan

The Teachers' Dental Plan was implemented effective January 1, 1986 for Saskatchewan teachers and is a collectively bargained benefit. In accordance with *The Teachers' Dental Plan Act*, the Minister of Finance, on behalf of the Government of Saskatchewan, is responsible for all the costs associated with the dental plan. The Teachers' Dental Plan is a benefit provided to all eligible teachers and their families for dental care promoting health and wellness. The intent of the plan is to promote good dental health by reducing costs for preventative, routine and major restorative dental work. Teachers with regular or temporary contracts are eligible for dental coverage as well as their spouse and dependants. Dependents 21 years of age to the age of 26 continue to be eligible for coverage provided they are in full-time attendance at an educational institution. Teachers receiving disability benefits under the STF Income Continuance Plan and/or the Teachers' Disability Benefits Plan are covered under the Plan.

Dental Coverage

The Plan provides Saskatchewan teachers and their dependants with coverage for Preventive, Routine and Major Restorative dental services. It also provides orthodontic services for dependent children only.

Level I – Preventive Services – 100% of the eligible charge.
Level II – Basic and Routine Services – 85% of the eligible charge.
Level III – Major Restorative Services – 60% of the eligible charge.
Level IV – Orthodontic Services – 50% of the eligible charge to the maximum of $2,000 per child per lifetime. (Dependent children only)

Insurance Carrier

The Government of Saskatchewan and the STF mutually agree upon the insurance carrier to provide administrative services. The dental plan is administered by Sun Life Assurance Company of Canada on an Administrative Services Only (ASO) basis under Group Policy # 25273. Teachers can electronically submit or mail claims directly to Sun Life for processing. Dental forms can be downloaded from the internet on the website www.stsc.gov.sk.ca/forms/ . Sun Life can be contacted at their toll free number 1-800-361-6212 or online at www.sunlife.ca.

Highlights

For the year ending December 31, 2011, Sun Life processed 48,814 (2010 - 46,800) dental claims.

For the year ending December 31, 2011, the government paid $10,587,740 (2011 - $10,227,652) in dental benefits and administrative costs.

Dental claim forms and additional information on the dental plan regarding costs, benefits after termination, pre-treatment estimates, coordination of benefits, maximum reimbursement levels, dependent coverage, how to make a claim, fee changes, etc., are available on-line at www.stsc.gov.sk.ca/dental/ .

Teachers' Superannuation Commission
Management Report, 2012

The management of the Teachers' Superannuation Commission is responsible for the integrity of the accompanying financial statements and all other information in this Annual Report. In Canada, it is the responsibility of management to prepare financial statements in accordance with Canadian generally accepted accounting principles.

The integrity of the financial records from which these financial statements are prepared is largely dependent on the systems of internal accounting controls. The purpose of such systems is to provide reasonable assurance that transactions are executed in accordance with proper authorization, transactions are appropriately recorded in order to permit preparation of financial statements and assets are properly accounted for and safeguarded against loss from unauthorized use. Underlying this concept of reasonable assurance is the fact that limitations exist in any system of internal accounting controls based on the premise that the cost of such controls should not exceed the benefits derived there from.

The pension obligations and actuarial value of net assets available for benefit are determined by an actuarial valuation and extrapolation. Actuarial valuation and extrapolation reports require best judgment in order that the financial statements reflect fairly the financial position of the Plan. The actuary's opinion for the Teachers' Superannuation Plan for the June 30, 2011 valuation and the extrapolation of the valuation results to June 30, 2012 appear on page 25.

The financial statements have been audited by the Provincial Auditor of Saskatchewan. The report to the Members of the Legislative Assembly, stating the scope of the examination and opinion on the financial statements, appears on page 26.

The financial statements have been examined and approved by the Commission.

Doug Volk, BA, PPAC
Executive Director

Sharlene Arklie, CGA
Senior Manager, Financial Operations

Regina, Saskatchewan
October 16, 2012

Actuary's Opinion

Aon Hewitt was retained by the Saskatchewan Teachers' Superannuation Commission (the "Commission") to perform an actuarial valuation of the assets and liabilities of the Saskatchewan Teachers' Superannuation Plan (the "Plan") as at June 30, 2011. Aon Hewitt was further retained to prepare an extrapolation of the valuation results to June 30, 2012 for inclusion in the Annual Report with respect to *The Teachers' Superannuation and Disability Benefits Act* for the Year Ended June 30, 2012.

The valuation and extrapolation of the Plan's actuarial assets and liabilities were based on:

- Membership and asset data provided by the Commission as at June 30, 2011;
- Financial Statements as at June 30, 2012 provided by the Commission;
- Methods prescribed by the Canadian Institute of Chartered Accountants for pension plan financial statements; and
- Assumptions about future events (economic and demographic) which were developed by management and Aon Hewitt and are considered as management's best estimate of these events.

While the actuarial assumptions used to estimate liabilities for the Plan's financial statements contained in the Annual Report represent management's best estimate of future events, and while, in my opinion, these assumptions are reasonable when considering the purposes of the valuation and extrapolation, the Plan's future experience will differ from the actuarial assumptions. Emerging experience differing from the assumptions will result in gains or losses that will be revealed in future valuations, and will affect the financial position of the Plan.

I have tested the data for reasonableness and consistency with prior valuations and, in my opinion, the data is sufficient and reliable for the purposes of the valuation and the extrapolation. In my opinion the methods employed in the valuation and extrapolation and the assumptions used are, in aggregate, appropriate when considering the purposes of the valuation and extrapolation. My opinions have been given, and the valuation and extrapolation have been performed, in accordance with accepted actuarial practice in Canada.

Paul Hebert
Fellow, Canadian Institute of Actuaries
Fellow, Society of Actuaries

October 16, 2012

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Teachers' Superannuation Plan, which comprise the statement of financial position as at June 30, 2012 and June 30, 2011, and the statement of changes in net assets available for benefits, and statement of changes in pension obligations for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for pension plans for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

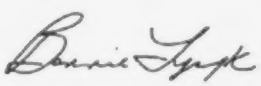
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Teachers' Superannuation Plan as at June 30, 2012 and June 30, 2011, and the changes in its net assets available for benefits and changes in its pension obligations for the years then ended in accordance with Canadian accounting standards for pension plans.



Regina, Saskatchewan
October 16, 2012

Bonnie Lysyk, MBA, CA
Provincial Auditor

Teachers' Superannuation Plan
Statement of Financial Position
As at June 30

Statement 1

(in thousands of dollars)

	2012			2011		
	Superannuation Fund	Voluntary Contributions Fund	Total	Superannuation Fund	Voluntary Contributions Fund	Total
ASSETS						
Cash	$ 370	$ -	$ 370	$ 372	$ -	$ 372
Due from General Revenue Fund (Note 3)	232	16	248	94	14	108
Accrued investment income	1,746	-	1,746	2,253	-	2,253
Investments (Note 4)						
Bonds and debentures	219,285	-	219,285	273,563	-	273,563
Pooled Funds	232,718	3,446	236,164	296,451	3,820	300,271
Equities	128,073	-	128,073	184,518	-	184,518
Real estate	1	-	1	6	-	6
Private equity	70,977	-	70,977	69,496	-	69,496
Short – term	38,266	-	38,266	2,568	-	2,568
	691,668	3,462	695,130	829,321	3,834	833,155
Contributions receivable:						
Teachers	584	-	584	797	-	797
General Revenue Fund	34,650	-	34,650	62,461	-	62,461
	35,234	-	35,234	63,258	-	63,258
Total assets	$ 726,902	$ 3,462	$ 730,364	$ 892,579	$ 3,834	$ 896,413
LIABILITIES						
Accounts payable	$ 261	$ -	$ 261	$ 583	$ -	$ 583
Total liabilities	261	-	261	583	-	583
NET ASSETS AVAILABLE FOR BENEFITS	726,641	3,462	730,103	891,996	3,834	895,830
Pension obligation (Statement 3)	5,898,236	3,462	5,901,698	5,422,452	3,834	5,426,286
Deficit	$ 5,171,595	$ -	$ 5,171,595	$ 4,530,456	$ -	$ 4,530,456

(See accompanying notes to the financial statements)

Teachers' Superannuation Plan
Statement of Changes in Net Assets Available for Benefits

Statement 2

Year Ended June 30
(in thousands of dollars)

	2012			2011		
	Superannuation Fund	Voluntary Contributions Fund	Total	Superannuation Fund	Voluntary Contributions Fund	Total
INCREASE IN ASSETS:						
Investment Income:						
Interest	$ 8,539	$ -	$ 8,539	$ 13,224	$ -	$ 13,224
Dividends	5,521	-	5,521	6,082	-	6,082
Pooled Fund Distributions	6,753	112	6,865	4,782	139	4,921
Total investment income	20,813	112	20,925	24,088	139	24,227
Increase (decrease) in fair value of investments	$ 2,585	$ (144)	$ 2,441	$ 95,225	$ 276	$ 95,501
Contributions:						
General Revenue Fund other contributions	139,312	-	139,312	88,896	-	88,896
Teachers	5,081	15	5,096	6,219	18	6,237
General Revenue Fund matching contributions	5,068	-	5,068	6,205	-	6,205
Other transfers and contributions	1,297	-	1,297	1,383	-	1,383
Total contributions	150,758	15	150,773	102,703	18	102,721
Total increase (decrease) in assets	$ 174,156	$ (17)	$ 174,139	$ 222,016	$ 433	$ 222,449
DECREASE IN ASSETS:						
Allowances to superannuates	$ 330,412	$ -	$ 330,412	$ 319,747	$ -	$ 319,747
Refunds and transfers	5,651	350	6,001	5,039	291	5,330
Investment expenses (Note 7)	2,570	5	2,575	3,286	5	3,291
Marriage breakdown payments	878	-	878	953	-	953
Total decrease in assets	$ 339,511	$ 355	$ 339,866	$ 329,025	$ 296	$ 329,321
(Decrease) increase in net assets	(165,355)	(372)	(165,727)	(107,009)	137	(106,872)
NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	891,996	3,834	895,830	999,005	3,697	1,002,702
NET ASSETS AVAILABLE FOR BENEFITS, end of year	$ 726,641	$ 3,462	$ 730,103	$ 891,996	$ 3,834	$ 895,830

(See accompanying notes to the financial statements)

Teachers' Superannuation Plan
Statement of Changes in Pension Obligations

Statement 3

Year Ended June 30
(in thousands of dollars)

	2012			2011		
	Superannuation Fund (Note 8)	Voluntary Contributions Fund	Total	Superannuation Fund (Note 8)	Voluntary Contributions Fund	Total
PENSION OBLIGATIONS, beginning of year	$ 5,422,452	$ 3,834	$ 5,426,286	$ 5,142,858	$ 3,697	$ 5,146,555
INCREASE IN PENSION OBLIGATIONS:						
Interest accrued on obligations	233,118	-	233,118	254,795	-	254,795
Obligations accrued	26,502	(17)	26,485	31,997	433	32,430
Impact of assumption changes	652,076	-	652,076	318,541	-	318,541
Impact of plan experience	(98,971)	-	(98,971)	-	-	-
	812,725	(17)	812,708	605,333	433	605,766
DECREASE IN PENSION OBLIGATIONS:						
Obligations paid	336,941	355	337,296	325,739	296	326,035
PENSION OBLIGATIONS, end of year	$ 5,898,236	$ 3,462	$ 5,901,698	$ 5,422,452	$ 3,834	$ 5,426,286

(See accompanying notes to the financial statements)

Teachers' Superannuation Plan
Notes to the Financial Statements

June 30, 2012

1. Status of the Commission

The Saskatchewan Teachers' Superannuation Commission administers a pension plan, the Teachers' Superannuation Plan, consisting of the Teachers' Superannuation Fund and the Voluntary Contributions Fund (hereafter collectively referred to as the Plan). The Teachers' Superannuation Fund is used to account for the net assets accumulated for the defined benefit final average pension plan for teachers who commenced service prior to July 1, 1980. The Voluntary Contributions Fund is a money purchase fund, used to account for the net assets accumulated for teachers' voluntary contributions.

Description of the Plan

The plan is a registered pension plan as defined by *The Income Tax Act (Canada)* and accordingly, is not subject to income taxes. Allowances and refunds are subject to withholding taxes that are remitted to the Canada Revenue Agency. The following description is a summary only. For more complete information, reference should be made to *The Teachers' Superannuation and Disability Benefits Act* (the Act).

Teachers' Superannuation Fund

a) Funding Policy

Members are required to contribute 6.05% of their salary subject to Canada Pension Plan contributions, and 7.85% on the remainder of their salary. The Government's General Revenue Fund (GRF) pays into the Teachers' Superannuation Fund an amount equal to the amount contributed by members. Also, the GRF pays into the Teachers' Superannuation Fund other contributions pursuant to section 9(4) of the Act. Section 9(4) of the Act requires the GRF to pay yearly an amount by which the allowances, transfers and refunds that are paid out in that fiscal year exceed the credited contributions of members with respect to whom an allowance commences or a refund or transfer is made in that fiscal year.

b) Age and Service Allowance

The annual amount of pension is determined as follows:

- 2% of the five highest years salary times years of service (maximum 35 years)
- reduced at age 65 for Canada Pension Plan integration
- increased each January 1 by 80% of the increase in the Consumer Price Index

c) Interest Credited to Contributions

As of July 1, 1994, the interest credited to contributions is an annual rate determined by the Commission to be the annual rate of return earned from the investments of the Fund in a fiscal year, compounded annually. See Note 5 for determination of investment earnings.

d) Death Benefits

When a superannuate dies, the spouse receives 60% of the allowance plus a further 10% for each dependent child to a maximum of 25%. If there is neither a spouse nor dependent children, the nominee or estate receives a lump sum payment of the difference, if any, between the teacher's contributions and interest at retirement and the total pension paid to date.

e) Refunds

Refunds to teachers typically consist of the teacher's contributions and interest on those contributions.

Voluntary Contributions Fund

The Teachers' Superannuation Commission administers the Voluntary Contributions Fund. The Voluntary Contributions Fund allows active teachers to make contributions into the Fund, according to the limits set out in the *Income Tax Act (Canada)*.

The Voluntary Contributions Fund is credited with all voluntary contributions, any interest earned and any other revenue accrued from the investment of monies in the Voluntary Contributions Fund less investment expenses. The Voluntary Contributions Fund amount is reduced by amounts paid out at the time the teacher makes an application for a refund. If eligible, the accumulated contributions and interest earned are paid to the teacher, the teacher's nominee or to the teacher's estate.

2. Significant Accounting Policies

The following accounting policies are considered significant:

a) Basis of Presentation

The financial statements for the year ended June 30, 2012 have been prepared in accordance with Canadian accounting standards for pension plans as defined in the Canadian Institute of Chartered Accountants (CICA) Handbook Section 4600, *Pension Plans*. For matters not addressed in Section 4600, *Pension Plans,* Canadian Accounting Standards for Private Enterprises (ASPE) have been followed.

The plan statements were previously prepared in accordance with CICA Handbook Section 4100 and while there are differences between these sections, there were no material differences that affected the financial statements of the Plan. As a result, the July 1, 2010 comparative is not presented on Statement 1 at the discretion of Management.

b) Investments

Investments in bonds and equities are recorded at fair value which are determined by reference to closing year end bid prices from recognized security dealers. Transactions in bonds and equities are recorded as of the trade date.

Investments denominated in foreign currency are translated at the exchange rate in effect at year end. Investment transactions and realized gains and/or losses are translated at the exchange rate in effect at the transaction date. Unrealized gains and losses resulting from exchange differences are included in the determination of the change in fair value of investments.

Pooled funds are recorded based on the net asset value per unit of the underlying investments determined using closing bid prices as at June 30, 2012. Short-term investments are recorded at fair value. Real estate and private equity are recorded at fair value as estimated by independent appraisals. The fair value of the investments approximates the market value.

c) Actuarial Asset Value Adjustment

The actuarial asset value adjustment represents the difference between the market value and management's best estimate of return on the Superannuation Fund amortized over four years. Using this adjustment, fair value remains the underlying basis for asset valuation, but fluctuations are averaged over a four-year period. For years in between valuations, the actuarial asset value adjustment is extrapolated.

d) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for pension plans requires management to make estimates and assumptions that affect the recorded amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statement and the recorded amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the valuation of investments, the provision for annuity benefits and accrued pension benefits. Actual results could differ from these estimates.

e) Future Accounting Pronouncements

A number of new standards, amendments to standards and interpretations which become effective for annual periods beginning on or after January 1, 2013 may have an impact on the Plan. The extent of the impact on adoption of these standards is not known at this time but is not expected to be material.

3. Due From General Revenue Fund

The Plan's bank accounts are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan. Under this arrangement, interest is calculated on the net position of all COBC accounts and is paid by the bank into the GRF.

The Funds' share of this interest is allocated and paid by the GRF on a quarterly basis into the Funds' bank accounts using the Government's thirty-day borrowing rate. The Government's average thirty-day borrowing rate in 2012 was 1.06% (2011 – 0.96%).

4. Investments

Due to the long-term horizon of the Plan's liabilities, the Plan takes a long-term investment perspective. The Commission's strategy is to invest cash flows from contributions, maturing debentures and investment returns into assets such as Canadian, foreign and private equities, pooled funds, money market securities, bonds and real estate pooled funds.

Teachers' Superannuation Fund

The Act and the Plan's investment policy require that all the Fund's investments comply with the provisions of *The Pension Benefits Act, 1992*, which does not allow any one holding to represent more than 10% of the cost at the time of acquisition of the Fund's portfolio.

Short-term Investments

These investments are comprised of T-Bills, notes and commercial paper with effective interest rates of 0.95% to 1.28% (2011 – 0.95% to 1.30%) and a weighted average term to maturity of 47 days (2011 - 57 days). Interest is receivable at maturity.

Bonds and Debentures

The Plan's investment policy limits, for this Fund, its investment concentration in any one investee or related group to no more than 10% of that corporation's cost of outstanding bonds. Bonds must meet a minimum quality standard of BBB rating as measured by a recognized credit rating service.

For the Teachers' Superannuation Fund, the Plan invests in bonds that are considered to be high quality as described below:

		2012			2011		
	Years to Maturity	Fair Value ($000's)	Weighted Average Yield (%)	Weighted Average Coupon Rate (%)	Fair Value ($000's)	Weighted Average Yield (%)	Weighted Average Coupon Rate (%)
Federal Bonds							
Government of Canada	<1	$ -	-	-	$ 13,951	1.05	1.25
	1-5	56,970	1.23	1.56	39,877	1.73	2.16
	6-10	8,200	2.06	3.64	26,479	2.36	2.70
	11-20	-	-	-	-	-	-
	20+	10,319	2.84	4.58	10,436	4.02	4.66
Provincial & Provincially	1-5	5,688	2.15	2.13	4,707	1.91	2.62
Guaranteed Bonds	6-10	14,824	2.62	5.85	21,730	3.80	5.87
Other Provinces	11-15	3,774	2.98	4.42	4,199	4.02	4.43
	16-20	16,299	3.39	6.22	11,278	4.23	6.09
	20+	13,843	3.55	4.63	21,748	4.49	5.21
Saskatchewan	1-5	783	1.79	4.65	-	-	-
	6-10	-	-	-	2,106	3.25	4.28
	11-20	3,155	3.17	6.40	-	-	-
	20+	929	3.26	4.75	6,194	4.18	6.00
Municipal	1-5	4,410	2.20	4.72	-	-	-
	6-10	2,005	2.41	5.10	8,435	3.31	4.87
Corporate Bonds	<1	3,044	1.67	4.98	-	-	-
	1-5	43,553	2.23	4.00	39,417	2.83	3.97
	6-10	16,797	2.83	4.85	39,054	3.47	4.82
	11-15	953	3.82	8.29	7,041	4.07	5.39
	16-20	798	4.88	6.67	853	4.78	5.56
	20+	12,941	4.38	5.81	16,058	5.10	5.67
		$ 219,285			$ 273,563		

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Equities

		2012	2011
		($000's)	
Common Shares			
	Canadian	$ 79,079	$ 114,791
	Foreign	48,994	69,727
		128,073	184,518
Private Equity		70,977	69,496
Total Equities		$ 199,050	$ 254,014

The Plan's investment policy limits this Fund from any holding to represent no more than 10% of the outstanding shares of the issuing corporation. The investment policy allows up to 35% of the Fund to be invested in foreign equities, including those held in pooled funds. At June 30, 2012, the Plan held 7.11% (2011 – 8.4%) in foreign equities and 20.2% (2011 – 22.1%) in pooled foreign equity funds.

Foreign equities and pooled funds are denominated in Canadian dollars. The Fund's equities include common shares that have no fixed maturity date and are generally not exposed to interest rate risk. Dividends are generally declared on a quarterly basis. The average effective dividend rate during the year was 2.9% (2011 – 2.7%).

Pooled Funds

The Plan holds units in pooled funds, which have no fixed interest rate, and its returns are based on the success of the fund manager. The Plan unit holdings are:

	Units Held		% of Total Units Outstanding		Fair Value		Investment Income and Change in Fair Value	
	2012	2011	2012	2011	2012	2011	2012	2011
	(000's)				($000's)		($000's)	
Greystone EAFE Plus Fund	-	18,818	-	10.63	$ -	$ 147,027	$ (20,885)	$ 28,498
Greystone EAFE Growth Fund	13,522	-	8.67	-	111,302	-	5,991	-
Greystone EAFE Quant Fund	-	-	-	-	-	-	(1,520)	-
Greystone US Strategic Growth Fund	839	1,179	12.55	14.71	9,280	11,824	1,308	1,659
Greystone US Strategic Value Fund	2,169	2,753	12.75	14.76	18,932	23,651	760	3,417
Greystone Canadian Small Cap Fund	3,012	3,544	11.8	15.05	28,605	40,367	(4,355)	18,150
Greystone Real Estate Fund	749	985	1.9	2.72	64,599	73,582	8,927	7,316
					$ 232,718	$ 296,451	$ (9,774)	$ 59,040

The Greystone EAFE Plus Fund holds units in the Greystone EAFE Quantitative Fund and the Greystone EAFE Growth Fund. These funds may use derivative financial instruments such as equity index future contracts for managing its equity portfolio and forward contracts for cash management. Derivative financial instruments are financial contracts that change in value resulting from changes in underlying assets or indices.

Derivative transactions are conducted in over-the-counter markets directly between two counterparties or on regulated exchange markets. All derivative financial instruments are recorded at fair value using market prices. Where market prices are not readily available, other valuation techniques are used to determine fair value.

Real Estate

Investments in real estate consist of interests in Canadian property as well as unit holdings within a real estate pooled fund.

Private Equity

The Plan committed US$36 million, as a Limited Partner, to GE Asset Management Incorporated (GEAM), investment manager for investment in the GEAM International Private Equity Fund, L.P. representing US$437 million in total partnership commitments. One pension trust represents 50% of committed and invested funds with the fifteen Limited Partners representing the remaining 50%. The purpose of the Partnership is to invest in primarily private placement investments and through such investments provide its partners with current income and long-term capital gains. The private placements would be those of companies located and doing a substantial portion of their business outside of the United States. The Teachers' Superannuation Fund has 8.2% (2011 – 8.2%) of the committed and 8.0% (2011 – 8.2%) of the invested funds. As of June 30, 2012, the total value of the GEAM International Private Equity Fund, L.P. was $380 million US (2011 - $403 million US) and the Plan's share was $32.1 million CDN (2011 - $31.3 million CDN).

Effective September 30, 2008, the Plan committed an additional US $37.5 million, as a Limited Partner, to GE Asset Management Incorporated (GEAM), investment manager for investment in the GEAM International Private Equity Fund II, LP. The Teachers' Superannuation Fund has 11.0% (2011 – 11.0%) of the committed and 10.7% (2011 – 11.0%) of the invested funds. As of June 30, 2012, the total value of the GEAM International Private Equity Fund II, L.P. was $17.1 million US (2011 – $22.1 million US) and the Plan's share was $2.5 million CDN (2011 - $2.3 million CDN).

Determination of Fair Value

The determination of fair value for both the Teachers' Superannuation Fund and the Voluntary Contributions Fund is based on valuations that make maximum use of available market information. The best measure of fair value is an independent quoted market price for the same instrument in an active market. An active market is one where quoted prices are readily available representing regularly occurring transactions. Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of the inputs used in the valuation. The three levels of the fair value hierarchy are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 Inputs other than quoted market prices that are observable for the asset or liability either directly or indirectly; and
Level 3 Inputs that are not based on observable market data.

The Plan holds equities and short term investments that are classified as level 1, bonds and pooled funds as level 2 excluding the real estate pooled fund and real estate which are classified as level 3.

The following table classifies the Plan's financial instruments within a fair value hierarchy:

Teachers Superannuation Fund ($000's)

	Level 1		Level 2		Level 3		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Bonds and debentures	$ -	$ -	$ 219,285	$ 273,563	$ -	$ -	$219,285	$273,563
Pooled funds	-	-	168,119	222,869	64,599	73,582	232,718	296,451
Equities	128,073	184,518	-	-	-	-	128,073	184,518
Real estate	-	-	-	-	1	6	1	6
Private equity	-	-	-	-	70,977	69,496	70,977	69,496
Short - term	38,266	2,568	-	-	-	-	38,266	2,568
Total	$166,339	$187,086	$ 387,404	$ 496,432	$135,577	$143,084	$ 689,320	$ 826,602

Fair value measurements using level 3 inputs:

Teachers Superannuation Fund ($000's)

	Real Estate		Real Estate Pooled		Greystone Private Equity		GE Private Equity		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Balance at July 1	$ 6	$7,855	$73,582	$86,363	$ 35,861	$ 31,703	$ 33,635	$ 29,506	$ 143,084	$ 155,427
Purchases	-	-	-	-	-	-	-	2,446	-	2,446
Sales	-	(8,644)	(17,910)	(20,097)	-	-	-	-	(17,910)	(28,741)
Net transfers in (out)	-	-	-	-	-	-	(8,277)	(1,933)	(8,277)	(1,933)
Gains (Losses):										
Realized	-	2,626	2,385	537	-	-	(458)	(125)	1,927	3,038
Unrealized	(5)	(1,831)	6,542	6,779	580	4,158	9,636	3,741	16,753	12,847
Balance at June 30	$ 1	$ 6	$ 64,599	$ 73,582	$ 36,441	$ 35,861	$ 34,536	$ 33,635	$ 135,577	$ 143,084

Realized and unrealized gains and losses appear in the Increase (decrease) in fair value of investments on the Statement of Changes in Net Assets Available for Benefits.

The Voluntary Contributions Fund holds pooled funds which are classified as level 2 and are described below.

Voluntary Contributions Fund

Pooled Funds

The Plan holds for the Voluntary Contributions Fund units in pooled funds, which have no fixed interest rate, and its returns are based on the success of the manager.

The Voluntary Contributions Fund unit holdings are:

	Units Held		% of Total Units Outstanding		Fair Value		Investment Income and Change in Fair Value	
	2012	2011	2012	2011	2012	2011	2012	2011
	(000's)				($000's)		($000's)	
Greystone EAFE Plus Fund	-	27	-	0.02	$ -	$ 209	$ (29)	$ 36
Greystone EAFE Growth Fund	20	-	0.01	-	167	-	8	-
Greystone Canadian Fixed Income Fund	148	173	0.26	0.34	1,625	1,825	179	79
Greystone Canadian Equity Fund	51	49	0.06	0.06	1,066	1,235	(210)	255
Greystone US Equity Fund	16	21	0.11	0.13	186	224	17	41
Greystone Money Market Fund	40	33	0.14	0.13	402	327	4	3
					$ 3,446	$ 3,820	$ (31)	$ 414

5. Teachers' Superannuation Fund - Determination of Investment Earnings for Administrative Purposes

The Commission determines investment earnings of the Superannuation Fund in order to establish what interest must be credited to teachers, and what interest teachers must pay when purchasing past service. The Commission has determined that only 25% of the current period change in fair values of investments (includes both realized and unrealized gains and losses) will be recognized as part of investment earnings. The remaining 75% will be recognized equally over the following three years as part of investment earnings. Interest and dividend income less investment expenses are fully allocated for the current year. The investment earnings rate was 0.67% (2011 – -1.33%) for the year.

6. Voluntary Contributions Fund - Earnings Allocation to Members

The Commission allocates all realized and unrealized gains/losses at year-end. During the year, the Commission allocated investment losses less investment expenses of $37,383 to teachers' accounts and for 2011 allocated investment gains less investment expenses of $408,363.

7. Related Party Transactions

These financial statements include transactions with related parties. The Plan is related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Plan is related to non-Crown enterprises that the Government jointly controls or significantly influences.

a) Administration

In accordance with the Act, all expenses of the administration are paid out of monies appropriated for the Ministry of Education by the Legislature. Accordingly, no provision for these costs is included in the financial statements.

Expenses related to managing, investing or disposing of assets of the Plan are paid directly by each fund. The annual expenses for custodial, brokerage and investment management fees are:

	2012			2011		
	Superannuation Fund ($ 000's)	Voluntary Contributions Fund ($ 000's)	Total ($ 000's)	Superannuation Fund ($ 000's)	Voluntary Contributions Fund ($ 000's)	Total ($ 000's)
Custodial fees	$ 56	$ 2	$ 58	$ 68	$ 2	$ 70
Brokerage fees	130	-	130	194	-	194
Investment and asset management fees	2,384	3	2,387	3,024	3	3,027
	$ 2,570	$ 5	$ 2,575	$ 3,286	$ 5	$ 3,291

b) Investment Management Services

Greystone Managed Investments Inc. (GMI) provides investment management services to the Teachers' Superannuation Fund and the Voluntary Contributions Fund on a fee-for-service basis. The Teachers' Superannuation Fund is a shareholder in GMI. The Teachers' Superannuation Fund holds 223,811 common shares (2011 – 223,811 common shares) representing 14.36% of the total shares outstanding in GMI (2011 – 14.16%).

c) Investment Holdings

Teachers' Superannuation Fund

Included in the totals for bonds and debentures and income are Province of Saskatchewan holdings of $4,866,582 (2011 - $8,300,286) and interest income including change in fair value of $800,662 (2011 – $667,889).

8. Actuarial Valuation - Pension Benefits

a) Accrued Pension Benefit Obligation

The present value of accrued pension benefits was determined using the projected benefit method prorated on services and the best estimate assumptions of the Teachers' Superannuation Commission. Aon Consulting prepared an actuarial valuation of the Teachers' Superannuation Fund as at June 30, 2011 and June 30, 2009 and an extrapolation was made to June 30, 2012 and June 30, 2011 respectively.

The pension liability is based on a number of assumptions about future events including interest rate, rate of salary increase, inflation rate, mortality, retirement rates and termination rates. The actual rates may vary significantly from the long-term assumptions used.

The assumptions used in determining the actuarial value of accrued pension benefits were:

	2012	2011
▪ salary increases	3.5% thereafter	3.5% thereafter
▪ interest rate	3.45% / year for next 7 years 3.35% / year for next 12 years, and 3.30% / year thereafter	5.1% / year for 2011 4.5% / year for next 9 years 4.35% / year for next 10 years, and 4.25% / year thereafter
▪ inflation	2.5%	2.5%
▪ mortality table	UP94 generational	UP94 generational

The following illustrates the effect of changing certain assumptions from the assumed rates. For the salary and interest rate categories, the changes in assumption are independent of one another. The inflation category, however, is affected by other assumptions that have an inflation component. In the scenario of the 1% change in inflation, the assumptions for the interest rate, salary increase, Year's Maximum Pensionable Earnings (YMPE) and Canada Revenue Agency pension maximum are also changed by 1%.

	Long-term assumptions					
Effect on Liability	Salary		Interest rates		Inflation	
	2.5%	4.5%	2.45%-2.30%	4.45%-4.30%	1.5%	3.5%
Decrease (increase) ($000s)	$(5,734)	$5,903	$787,104	$(643,755)	$174,850	$(164,859)

Assumption changes arise when the assumptions change from the previous valuation/extrapolation to the current valuation/extrapolation. In the June 30, 2012 extrapolation, the changes in assumptions increased the accrued pension benefit by $652,076,000. The changes in assumptions include an increase of $626,106,000 due to a change in the discount rate assumption, an increase of $19,916,000 due to a change in the mortality rate and an increase of $6,109,000 due to a change in the retirement rate assumption.

Plan experience gains or losses result from the differences between actual and expected terminations, disabilities, retirements, salaries, yearly maximum pensionable earnings, interest credited and deaths that occur between valuations/extrapolations. In the June 30, 2012 extrapolation, these experience gains or losses decreased by $98,971,000 which is primarily made up of $94,934,000 indexation experience gains, retirement experience gains, $5,888,000 gains from methodology refinement, $6,770,000 in termination gains, salary experience gains of $5,215,000, interest credited gains of $3,988,000 offset by $18,367,000 in experience losses from mortality.

b) Actuarial Asset Value

In the past, the Plan measured its portfolio on an actuarial asset basis to determine the Plan Deficit (or Unfunded Liability) and disclosed it on the Statement of Financial Position (Statement 1). However, with the adoption of CICA Handbook Section 4600 in 2012, the actuarial asset value cannot be disclosed in the net assets available for benefits or the resulting deficit on Statement 1.

The Plan continues to measure its assets on this basis for funding and internal management purposes. A reconciliation of the Unfunded Liability appears below:

	2012	2011
	($000's)	
Net Assets Available for Benefits (Statement 1)	$ 726,641	$ 891,996
Pension Obligation (Statement 3)	5,898,236	5,422,452
Deficit (Statement 1)	5,171,595	4,530,456
Actuarial Asset Value Adjustment	11,541	42,879
Deficit including Actuarial Asset Value Adjustments	$ 5,183,336	$ 4,573,335

9. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Commission. The Commission reviews the investment performance of the Funds in terms of the performance of the benchmark portfolio over four-year rolling periods. The primary long-term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Plan's investment performance, which assumes a full allocation of realized and unrealized gains and losses:

	2012 annual return%	Rolling four-year average annual return%
Teachers' Superannuation Fund [1]	2.0%	3.0%
Target rate of return [2]	1.2%	3.0%
Voluntary Contributions Fund[1]	-0.6%	2.2%
Target rate of return [2]	2.2%	3.5%

[1] The annual returns are before deducting investment expenses

[2] The Commission's weighted target rate of return for its investment portfolio (return on the benchmark portfolio plus 10%) has been determined, after the fact, using the weighted actual returns of certain market indices such as S&P/TSX Capped Composite Index, S&P 500, MSCI EAFE, DEX Universe Bond Index, Investment Property Databank and 91-Day T-Bills.

In October 2011, the Investment Manager informed the Commission that they were terminating their relationship with a sub-advisor for the Greystone EAFE Plus Fund. All assets were transitioned to the Greystone EAFE Growth Fund managed by another sub-advisor in December 2011 and resulted in a realized loss of $52.8 million.

10. Financial Risk Management

The nature of the Plan's operations results in a statement of net assets available for benefits, accrued pension benefits and unfunded liability that consists primarily of financial instruments. The risks that arise are credit risk, market risk (consisting of interest rate risk, foreign exchange risk and equity price risk) and liquidity risk.

Significant financial risks are related to the Plan's investments. These financial risks are managed by having an investment policy, which is approved annually by the Commission. The investment policy provides guidelines to the Plans investment managers for the asset mix of the portfolio regarding quality and quantity of fixed income, real estate and equity investments. The asset mix helps to reduce the impact of market value fluctuations by requiring investments in different asset classes and in domestic and foreign markets. The Commission reviews regular compliance reports from both its investment managers and custodian as to their compliance with the investment policy.

a) Credit Risk

Credit risk is the risk that one party does not pay funds owed to another party. The Plan's credit risk arises primarily from two distinct sources – accounts receivable and certain investments. The maximum credit risk to which it is exposed at June 30, 2012 is limited to the carrying value of the financial assets below:

	2012 Carrying Value ($000's)	2011 Carrying Value ($000's)
Teachers' Superannuation Fund		
Cash	370	372
Accounts receivable	35,234	63,258
Fixed income investments	257,551	276,131
Due from the General Revenue Fund	232	94
Voluntary Contributions Fund		
Due from General Revenue Fund	16	14

Fixed income investments include short-term investments and bonds and debentures. Accounts receivable are primarily made up of employee and employer contributions receivable and accrued investment income. Employee and employer contributions receivable are generally received in less than 30 days. Accrued investment income is received on the next scheduled payment date, generally annually or semi-annually.

For both the Teachers' Superannuation Fund and the Voluntary Contributions Fund, credit risk within investments is primarily related to short-term investments and bonds and debentures. The Commission limits the credit risk by dealing with issuers that are considered to be high quality (minimum rating of BBB for bonds and debentures and R-1 for short-term investments) along with an investment policy that limits the maximum exposure with respect to any one issuer. The credit ratings used to describe the bonds and debentures appear on the following page.

Teachers' Superannuation Fund

Credit Rating	2012 Fair Values ($000's)	2012 % Portfolio	2011 Fair Values ($000's)	2011 % Portfolio
AAA	$ 89,309	40.7	$ 107,273	39.2
AA	56,752	25.9	89,459	32.7
A	57,100	26.0	59,184	21.6
BBB	16,124	7.4	17,647	6.5
Total	$ 219,285	100.0	$ 273,563	100.0

With bonds and debentures, there are no holdings from one issuer, other than the Government of Canada or a Canadian province, over 3.78% of the market value of the combined bonds and debentures and short term investment portfolios. No one holding of a province is over 4.58% of the market value of the investment portfolio.

b) Market Risk

The Commission invests in publicly traded equities and bonds available on domestic and foreign exchanges. These securities are affected by market changes and fluctuations. The Commission manages market risk by investing in different domestic and foreign markets and through the establishment and review of asset mix ranges and limits for various investments. The Commission does not use derivative financial instruments to alter the effects of these market changes and fluctuations except through their use in pooled funds.

Market risk represents the potential for loss from changes in the value of financial instruments. Value can be affected by changes in interest rates, foreign exchange rates and equity prices. Market risk primarily impacts the value of investments.

Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities. The value of the Plan's assets is affected by short-term changes in nominal interest rates in its short term investments and bonds and debentures. Interest rate risk is managed by investing in bonds and debentures with varying durations.

It is estimated that a 100 basis point change in interest rates would change net assets available for benefits and unfunded liability by $16.0 million at June 30, 2012; representing 6.2% of the $257.5 million of fixed income investments.

The Voluntary Contribution Fund is exposed to changes in interest rates in the fixed income pooled fund. It is estimated that a 100 basis point change in interest rates would change net assets available for benefits by $0.1 million at June 30, 2012; representing 6.2% of the $2.0 million of fixed income investments.

Foreign Currency Risk

Foreign currency exposure arises from the Plan holding investments denominated in currencies other than the Canadian Dollar. Fluctuations in the relative value of the Canadian Dollar against these foreign currencies results in a positive or negative effect on the fair value of investments. Exposure to both U.S. equities and non-North American equities is limited to a maximum 35% of the market value of the total investment portfolio. At June 30, 2012, the Plan's exposure to U.S. currencies was 16.2% (2011 – 16.8%) and exposure to EAFE currencies was 16.1% (2011 – 17.8%).

At June 30, 2012, a 10% change in the Canadian Dollar versus the U.S. Dollar exchange rate would result in approximately a $11.1 million change in the net assets available for benefits and unfunded liability. A 10% change in the Canadian Dollar versus the EAFE currencies would result in approximately a $11.1 million change in the net assets available for benefits and unfunded liability.

Equity Price Risk

The Teachers' Superannuation Fund is exposed to changes in equity prices in Canadian, U.S. and EAFE markets. Equities and equity pooled funds comprise 48.3% (2011 – 53.6%) of the market value of the Fund's total investments. The investment policy of both the Teachers' Superannuation Fund and the Voluntary Contributions Fund limits the Plan's equity exposure to 60% of the Plan's total investments and any holding to represent no more than 10% of the outstanding shares of the issuing corporation.

For the Voluntary Contributions Fund, equity pooled funds comprise 41.2% (2011 – 43.7%) of the market value of the Fund's total investments.

The following table indicates the approximate change that could be anticipated to both the increase in net assets available for benefits and unfunded liability based on changes in the Plan's benchmark indices at June 30, 2012:

	Change in thousands of $	
	10% increase	10% decrease
Teachers' Superannuation Fund		
S&P/TSX Composite Index	$ 14,413	$ (14,413)
S&P 500 Index	7,721	(7,721)
MSCI EAFE Index	11,130	(11,130)
Voluntary Contributions Fund		
S&P/TSX Composite Index	$ 107	$ (107)
S&P 500 Index	19	(19)
MSCI EAFE Index	17	(17)

Securities Collateral

At June 30, 2012, the Plan has not borrowed any securities, therefore no Plan assets have been deposited or pledged as collateral or margin. As part of the Plan's securities lending strategy, cash and non-cash collateral has been pledged as security to the Plan by various counterparties for securities out on loan to the counterparties. At June 30, 2012, cash collateral of $42.0 million (2011 - $65.7 million) and non-cash collateral of $46.9 million (2011 - $46.4 million) was pledged to the Plan.

For loans of Canadian fixed income securities and Canadian equities collateralized by cash, the cash collateral must have a market value of not less than 102% of the market value of the loaned securities.

For loans of Canadian fixed income securities and Canadian equities collateralized by non-cash collateral, the collateral must have a market value of not less than 105% of the market value of the loaned securities.

The Voluntary Contributions Fund does not have a securities lending strategy.

Real Estate Risk

Risk in the real estate portfolio is managed through diversification across real estate types and locations. Adverse impacts in any one segment of the market or geographic location are minimized by having holdings diversified across property type, geographic location and investment size. The real estate portfolio currently consists of $1 thousand (2011 - $6 thousand) in real estate and $64.6 million (2011 - $73.6 million) in real estate pooled funds.

The Voluntary Contributions Fund does not have real estate holdings.

c) Liquidity Risk

The Plan is exposed to liquidity risk through its responsibility to pay pensions on a timely basis. The contributions from the GRF as well as the majority of Plan investments provide sufficient liquidity to support the Plan's required cash flows without impacting its asset mix. Cash resources are managed on a daily basis based on anticipated cash flows. Accounts payable are due within one year.

11. Cash Flow Forecast

The total cash inflow is the amount of contributions and investment income expected to be received by the pension plan. The GRF contributions include matching contributions and additional amounts contributed pursuant to section 9(4) of the Act. The total cash outflow is the amount required to pay all pension obligations. The cash required is the amount by which the cash outflows exceed cash inflows and is forecasted to the year 2041. The cash required will be funded from the proceeds of disposals of investments for the period 2012 to 2031.

The forecast of cash inflows and outflows have been determined using the long-term assumptions used in the June 30, 2011 valuation. All amounts shown are based on actual dollar forecasts and appear below.

	Cash inflows				
	Teachers Contributions	GRF Contributions	Investment Income	Cash Outflows	Cash Required
	($ 000's)	($ 000's)	($ 000's)	($ 000's)	($ 000's)
2012-13	3,535	182,130	48,624	341,161	106,872
2013-14	2,842	218,000	42,331	344,495	81,322
2014-15	2,193	225,448	36,885	346,433	81,907
2015-16	1,638	239,979	31,681	347,187	73,889
2016-17	1,161	259,220	27,247	346,338	58,710
Total within 5 years	$ 11,369	$ 1,124,777	$ 186,768	$ 1,725,614	$ 402,700
Total 6 to 10 years	$ 2,019	$ 1,397,904	$ 90,286	$ 1,684,534	$ 194,325
Total 11 to 30 years	$ 52	$ 4,877,994	$ 52,861	$ 5,115,035	$ 184,128

12. Fair Value of Financial Assets and Financial Liabilities

For the following financial instruments the fair value approximates their carrying value due to the immediate or short-term nature of these instruments. These financial instruments are interest and non-interest bearing and are due or payable within the next year.

- Cash
- Due from GRF
- Accrued investment income
- Teachers' contributions receivable and GRF contributions receivable
- Accounts Payable

For investments, fair values are considered to be market value, the calculation of which is described in Note 4. The actuarial accrued pension benefits are long-term in nature and there is no market for settling these obligations. Therefore, determination of the fair value of the actuarial accrued pension benefits is not practicable (see Note 8).

13. Subsequent Event

During 2011-12, the Commission engaged its Investment Consultant to conduct a de-risking optimization study of the asset mix for the Teachers' Superannuation Fund. In March 2012, the Commission amended their investment policy to reflect the de-risking investment strategy. The transition to this new investment strategy is effective July 1, 2012 and the effect of this change has been reflected in the future projections used in the actuarial extrapolation at June 30, 2012.

Investment Schedules

SCHEDULE 1
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS AND ACCRUED INTEREST AS AT JUNE 30 (UNAUDITED)

	2012		2011	
	Total Fair Value ($000's)	Accrued Interest ($000's)	Total Fair Value ($000's)	Accrued Interest ($000's)
Canada and Canada Guaranteed	$ 75,488	$ 143	$ 90,743	$ 179
Provincial and Provincially Guaranteed	59,295	415	71,962	517
Urban Municipalities And Hospitals	6,415	33	8,435	43
Corporate Debentures	78,086	868	102,423	1,239
Corporate Shares	128,073	284	184,518	268
Pooled Funds	232,719	-	296,451	-
Insured Mortgages - Principal and Real Estate	1	-	6	-
Short Term	38,266	3	2,568	7
Private Equity	70,977	-	69,496	-
Total	**$ 689,320**	**$ 1,746**	**$ 826,602**	**$ 2,253**

SCHEDULE 2
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2012
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
DEBENTURES:			
Government of Canada	Dec. 01, 2011	1.25	4,692,333
Government of Canada	Nov. 01, 2013	1.50	18,422,878
Government of Canada	May 01, 2014	0.75	19,261,344
Government of Canada	Dec. 01, 2015	3.00	979,233
Government of Canada	Jun. 01, 2016	2.00	3,098,381
Government of Canada	Mar. 01, 2017	1.50	1,020,965
Government of Canada	Jun. 01, 2017	4.00	981,651
Government of Canada	Jun. 01, 2018	4.25	4,251,829
Government of Canada	Jun. 01, 2020	3.50	1,552,478
Government of Canada	Jun. 01, 2021	3.25	8,486,236
Government of Canada	Jun. 01, 2022	2.75	5,157,235
Government of Canada	Jun. 01, 2037	5.00	2,901,811
Government of Canada	Jun. 01, 2041	4.00	11,777,980
407 International Inc.	Jun. 16, 2020	4.99	293,666
Bank of Montreal	Aug. 02, 2016	2.96	1,543,271
Bank of Nova Scotia	May 08, 2015	2.25	1,015,970
Bell Canada	Jun. 30, 2014	4.85	1,037,147
Bell Canada	May 19, 2021	4.95	793,380
Cadillac Fairview Financial	Jan. 25, 2016	3.24	1,145,834
Canada Housing Trust	Sep.15, 2015	1.00	2,881,910
Canada Housing Trust	Dec.15, 2015	2.75	2,079,438
Canada Housing Trust	Mar. 15, 2016	1.00	1,140,798
Canada Housing Trust	Jun. 15, 2016	2.75	2,661,476
Canada Housing Trust	Sep. 15, 2016	1.00	18,868,874
Canada Housing Trust	Dec. 15, 2018	4.10	2,548,098
Canada Housing Trust	Mar. 15, 2020	3.75	760,610
Canada Housing Trust	Sep. 15, 2020	1.34	18,504,086
Canada Housing Trust	Sep. 15, 2020	1.41	11,374,408
Canada Housing Trust	Jun. 15, 2021	3.50	10,604,445
CU Inc.	Oct. 24, 2041	4.54	805,000
Epcor Utilities	Jan. 31, 2018	5.80	822377
Epcor Utilities	Apr. 15, 2038	6.65	967,673
Finning International Inc.	Jun. 13, 2042	5.08	871,000
General Elec. Cap. Canada	Jan. 26, 2022	4.60	1,190,984
Great West Lifeco Inc.	Mar. 21, 2033	6.67	799,807
Greater Toronto Airports	Apr. 17, 2018	5.26	176,821
Inter Pipeline Fund	Jul. 30, 2018	3.84	879,000
Inter Pipeline Fund	Feb. 02, 2021	4.97	524,359
John Deere Financials	Oct. 14, 2014	2.25	722,000
John Deere Financials	Sep. 16, 2015	5.45	210,034
National Bank of Canada	Jan. 30, 2015	2.23	676,000
National Bank of Canada	Dec. 15, 2016	2.70	1,278,000
National Bank of Canada	Apr. 11, 2022	1.00	701,000
Pembina Pipeline Corp.	Mar. 29, 2021	4.89	121,049

SCHEDULE 2
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2012
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Province of Alberta	Sep. 01, 2016	1.85	1,943,392
Province of Alberta	May 27, 2020	1.42	2,350,976
Province of British Columbia	Jun. 18, 2031	6.35	6,550,365
Province of Manitoba	Dec. 01, 2016	2.05	1,240,432
Province of Manitoba	Jun. 03, 2020	4.15	1,775,597
Province of Manitoba	Dec. 01, 2021	3.85	2,205,345
Province of Manitoba	Sep. 05, 2025	4.40	1,048,587
Province of Manitoba	Mar. 05, 2041	4.10	1,518,885
Province of New Brunswick	Dec. 03, 2021	3.35	2,364,432
Province of Nova Scotia	Jun. 01, 2021	4.10	2,724,284
Province of Ontario	Jun. 02, 2020	4.20	912,312
Province of Ontario	Jun. 02, 2021	4.00	1,879,528
Province of Ontario	Jun. 02, 2031	6.20	959,553
Province of Ontario	Jun. 02, 2041	4.65	488,008
Province of Quebec	Dec. 01, 2021	4.25	6,392,233
Province of Quebec	Jun. 01, 2032	6.25	1,764,512
Province of Saskatchewan	Sep. 05, 2031	6.40	984,688
PSP Capital Inc.	Dec. 09, 2013	4.57	1,151,844
Rogers Communications	Mar. 22, 2041	6.56	943,424
Royal Bank of Canada	Jul. 26, 2016	3.03	2,575,943
Telus Corp.	Apr. 15, 2015	5.95	302,008
Telus Corp.	Dec. 04, 2019	5.05	1,586,475
Toronto Dominion Bank	Aug. 02, 2016	2.95	3,492,782
Trans Canada Pipelines	Feb. 05, 2026	8.29	42,451
Wells Fargo Fin. Canada	Feb. 09, 2017	2.77	1,568,000
SHARES:			
Accenture PLC		--	1,385,828
Agrium Inc.		--	744,145
American Tower Corp.		--	888,679
Apple Inc.		--	149,591
Arc Resources Inc.		--	1,754,775
Bank of Montreal		--	1,624,774
Bank of Nova Scotia		--	821,670
Baytex Energy Corp.		--	217,366
Blackpearl Resources Inc.		--	53,809
Borgwarner Inc.		--	161,472
CAE Inc.		--	123,348
Cameco Corp.		--	1,197,822
Canadian Natl Railway Co.		--	3,003,565
Canadian Natural Resources		--	1,280,106
Canadian Pacific Railway Ltd.		--	153,218
Canadian Tire Corp.		--	500,763
Celestica Inc.		--	89,731

SCHEDULE 2
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2012
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Celgene Corp.		--	1,010,046
CGI Group Inc.		--	331,539
Church & Dwight Co. Inc.		--	300,389
Covidien PLC		--	483,867
Crescent Point Energy Corp.		--	1095,091
CVS Caremark Corp.		--	1,232,262
Dollarama Inc.		--	1,001,632
Eldorado Gold Corp.		--	830,407
Enbridge Inc.		--	1,937,196
Express Scripts Inc.		--	182,634
Finning International Inc.		--	360,420
First Majestic Silver Corp.		--	192,339
First Quantum Minerals Ltd.		--	144,737
Fossil Inc.		--	708,486
Freeport McMoran Copper		--	177,249
Gildan Activewear Inc.		--	89,744
Goldcorp. Inc.		--	1,104,075
Google Inc.		--	142,007
Greystone Can. Small Cap Fund		--	2,497,741
Greystone EAFE Growth Fund		--	117,178,135
Greystone EAFE Plus Fund		--	8,640,817
Greystone EAFE Quant Fund		--	59,428,752
Greystone US Strategic Growth Fund		--	125,585
Greystone US Strategic Value		--	461,041
Halliburton Co.		--	297,250
Home Depot Inc.		--	807,273
IGM Financial Inc.		--	815,824
Intact Financial Corp.		--	353,060
Intercontinental Exchange Inc.		--	1,197,068
Ishares S&P/TSX60 Index Fund		--	472,546
ITC Holdings Corp.		--	992,111
Kinross Gold Corp.		--	940,408
Magna International Inc.		--	286,967
Manulife Financial Corp.		--	337,630
Mastercard Inc.		--	1,550,201
McDonald S Corp.		--	229,885
Mead Johnson Nutrition Co.		--	1,618,773
Medco Health Solutions Inc.		--	669,290
Meg Energy Corp.		--	519,480
Metro Inc.		--	606,317
National Bank of Canada		--	340,338
Nexen Inc.		--	1,684,512
Open Text Corp.		--	372,420
Petrominerales Ltd.		--	95,270
Potash Corp. of Saskatchewan		--	431,981

SCHEDULE 2
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2012
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Praxair Inc.		--	241,061
Precision Drilling Corp.		--	153,061
Priceline.com Inc.		--	1,091,250
Qualcomm Inc.		--	1,136,284
Rogers Communications Inc.		--	709,158
Saputo Inc.		--	183,308
Semafo Inc.		--	323,540
Suncor Energy Inc.		--	1,135,833
SXC Health Solutions Corp.		--	795,077
Talisman Energy Inc.		--	140,796
Teck Resources Ltd.		--	341,578
Thomas Reuters Corp.		--	75,114
Tim Hortons Inc.		--	588,775
Time Warner Cable		--	178,522
Toronto Dominion Bank		--	1,020,319
Transcanada Corp.		--	3,349,653
Trican Well Service Ltd.		--	500,418
Valeant Pharmaceuticals Int.		--	276,025
Vermilion Energy Inc.		--	341,242
Viacom Inc.		--	1,800,556
W W Grainger Inc.		--	800,575
Wal Mart Stores Inc.		--	633,659
Yamana Gold Inc.		--	2,809,031
		--	
SHORT TERM:		--	1,092,080,506
Total			**$ 1,558,179,723**

SCHEDULE 3
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2012
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
DEBENTURES:			
Government of Canada	Dec. 01, 2011	1.25	18,630,327
Government of Canada	Mar. 01, 2013	1.75	2,862,907
Government of Canada	Nov. 01, 2013	1.50	18,361,158
Government of Canada	May 01, 2014	0.75	5,697,668
Government of Canada	Dec. 01, 2015	3.00	2,938,558
Government of Canada	Jun.01, 2016	2.00	2,394,948
Government of Canada	Mar.01, 2017	1.50	1,035,455
Government of Canada	Jun.01, 2017	4.00	1,012,157
Government of Canada	Jun.01, 2018	4.25	3,550,411
Government of Canada	Jun.01, 2020	3.50	1,577,039
Government of Canada	Jun.01, 2021	3.25	22,143,369
Government of Canada	Jun.01, 2022	2.75	2,730,129
Government of Canada	Jun.01, 2037	5.00	2,571,136
Government of Canada	Jun.01, 2041	4.00	10,947,185
55 School Board Trust	Jun. 02, 2033	5.90	505,280
407 International Inc.	Jun. 16, 2015	3.88	292,641
407 International Inc.	Nov. 24, 2017	3.87	825,176
407 International Inc.	Jun. 16, 2020	4.99	394,170
Alberta Capital Finance Authority	Dec. 25, 2025	4.45	829,708
Alliance Pipeline	Jun. 30, 2023	7.18	624,480
Bank of Montreal	Aug. 02, 2016	2.96	1,565,208
Bank of Montreal	Jul. 08, 2021	1.00	1,591,345
Bank of Nova Scotia	Feb. 22, 2016	3.61	1,719,904
Bank of Nova Scotia	Jun. 08, 2017	4.10	1,080,435
Bank of Nova Scotia	Mar. 27, 2018	4.99	729,890
Bank of Nova Scotia	Oct. 03, 2018	6.00	578,472
BC Ferry Services Inc.	Jan. 11, 2038	5.58	360,150
Bell Canada	Mar.16, 2018	4.40	631,890
Bell Canada	May 19, 2021	4.95	626,095
Brit Col Muni Fin Auth.	Dec. 01, 2017	4.80	989,625
Brit Col Muni Fin Auth.	Nov. 20, 2018	5.10	1,375,800
Cadillac Fairview Financial	Jan. 25, 2016	3.24	472,545
Cadillac Fairview Financial	Jan. 25, 2021	4.31	2,313,474
Caisse Central Desjardn	Oct. 05, 2017	3.50	711,590
Canada Housing Trust	Mar. 15, 2015	1.00	4,823,202
Canada Housing Trust	Sep. 15, 2015	1.00	2,878,964
Canada Housing Trust	Dec. 15, 2015	2.75	9,673,037
Canada Housing Trust	Mar. 15, 2016	1.00	19,643,545
Canada Housing Trust	Jun. 15, 2016	2.75	2,680,896
Canada Housing Trust	Sep. 15, 2016	1.34	21,823,731
Canada Housing Trust	Dec. 15, 2018	4.10	2,532,875
Canada Housing Trust	Mar. 15, 2020	3.75	1,035,635
Canada Housing Trust	Jun. 15, 2021	3.80	6,183,518
Canadian Imperial Bank	Nov. 19, 2014	3.30	520,750

SCHEDULE 3
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2012
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Canadian Imperial Bank	Jan.14, 2016	3.40	2,042,352
Canadian Imperial Bank	Jul. 14, 2017	3.95	1,683,559
Canadian Imperial Bank	Jun. 06, 2018	5.15	332,723
CU Inc.	May 26, 2028	5.56	901,914
CU Inc.	Oct. 24, 2041	4.54	889.439
Enbridge Gas Distribution	Nov. 22, 2050	4.95	605,207
Enbridge Pipelines Inc.	Nov. 10, 2039	5.35	458,400
Enersource Corp.	Apr. 29, 2041	5.30	407,936
EPCOR Utilities	Jan. 31, 2018	5.80	1,006,482
EPCOR Utilities	Nov. 16, 2035	5.65	674,984
EPCOR Utilities	Apr. 15, 2038	6.65	191,461
Finning Intl Inc.	Jun. 01, 2018	6.02	350,790
Fortis BC Energy Inc.	May 13, 2038	5.80	633,072
GE Capital Canada.	Jan. 17, 2017	4.55	1,463,177
GE Capital Canada	Oct. 22, 2037	5.73	824,045
Great West Lifeco Fin.	Aug.13, 2020	4.65	1,728,831
Great West Lifeco Inc.	Nov. 16, 2039	6.00	542,900
Greater Toronto Airport	Apr. 17, 2018	5.26	913,110
Greater Toronto Airport	Feb. 25, 2041	5.30	515,652
Honda Canada Finance	May 09, 2013	5.08	278,103
Hydro One Inc.	Mar. 03, 2016	4.64	325,290
Hydro Quebec	Aug. 15, 2020	11.00	1,763,021
Inter Pipeline Fund	Jul. 30, 2018	3.84	922,356
Inter Pipeline Fund	Feb. 02, 2021	4.97	436,084
John Deere Financials Inc.	Jan. 14, 2013	2.30	1,025,631
John Deere Financials Inc.	Oct. 14, 2014	2.25	211,314
John Deere Financials Inc.	Sep. 16, 2015	5.45	387,905
Manitoba Telecom Service	Sep. 27, 2011	5.20	870,000
Metropolitan Life Global Funding	Jan. 12, 2016	3.85	670,507
National Bank of Canada	Apr. 26, 2016	3.58	1,884,162
National Bank of Canada	Nov. 02, 2020	1.00	427,160
National Bank of Canada	Apr. 11, 2022	1.00	704,060
Ontario Infrastructure	Jun. 03, 2013	3.95	1,658,750
Ontario Infrastructure	Jun. 01, 2037	4.70	439,000
Ornge Issuer Trust	Jun. 11, 2034	5.73	1,535,111
Pembina Pipeline Corp.	Mar. 29, 2021	4.89	720,732
Plenary Health Bridgepoint	Aug. 31, 2042	7.25	535,979
Province of Alberta	Sep. 01, 2016	1.85	1,950,198
Province of Alberta	May 27, 2016	1.42	921,950
Province of British Columbia	Dec. 18, 2020	3.70	1,466,264
Province of British Columbia	Jun. 18, 2029	5.70	3,884,498
Province of British Columbia	Jun. 18, 2031	6.35	4,028,942
Province of Manitoba	Dec.01, 2016	2.05	1,248,599
Province of Manitoba	Jun. 03, 2020	4.15	3,796,633
Province of Manitoba	Dec. 01, 2021	3.85	2,263,191
Province of Manitoba	Sep. 05, 2025	4.40	1,117,273

SCHEDULE 3
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2012
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Province of Manitoba	Mar. 05, 2041	4.10	1,115,425
Province of New Brunswick	Jun. 02, 2020	4.50	1,037,601
Province of Newfoundland	Oct. 17, 2033	5.60	332,375
Province of Newfoundland	Apr. 17, 2037	4.50	416,990
Province of Nova Scotia	Jun. 01, 2021	4.10	1,159,765
Province of Nova Scotia	Jun. 01, 2033	5.80	518,408
Province of Nova Scotia	Jun. 01, 2041	4.70	231,094
Province of Ontario	Jun. 02, 2021	4.00	5,755,798
Province of Ontario	Jun. 02, 2031	6.20	1,846,636
Province of Ontario	Jun. 02, 2037	4.70	1,427,136
Province of Quebec	Dec. 01, 2020	4.50	4,438,036
Province of Quebec	Dec. 01, 2021	4.25	4,775,816
Province of Quebec	Jun. 01, 2032	6.25	1,347,237
Province of Quebec	Dec. 01, 2036	5.75	1,637,731
Province of Saskatchewan	Sep. 05, 2017	4.65	340,893
Province of Saskatchewan	Jul. 28, 2020	3.90	1,044,500
Province of Saskatchewan	Sep. 05, 2031	6.40	2,897,835
Province of Saskatchewan	Jun. 01, 2040	4.75	788,939
PSP Capital Inc.	Dec. 09, 2013	4.57	2,894,378
Rogers Communications Inc.	Sep. 29, 2020	4.70	652,928
Rogers Communications Inc.	Aug. 25, 2040	6.11	1,360,154
Rogers Communications Inc.	Mar. 22, 2041	6.56	278,725
Royal Bank of Canada	Jan. 11, 2016	3.36	2,652,755
Royal Bank of Canada	Jul. 26, 2016	3.03	713,888
Royal Bank of Canada	Nov. 04, 2018	5.45	219,493
Royal Office Finance LP	Nov. 12, 2037	5.21	3,136,063
Shoppers Drug Mart	Jun. 03, 2013	4.99	310,350
Sun Life Financial Inc.	Jan. 30, 2023	5.59	1,395,861
Sun Life Financial Inc.	Nov. 23, 2035	1.00	606,360
TCHC Issuer Trust	Feb. 22, 2040	5.40	747,060
Telus Corporation	Apr. 15, 2015	5.95	937,711
Telus Corporation	Dec. 04, 2019	5.05	1,945,736
Telus Corporation	Jul. 23, 2020	5.05	308,072
Thomson Reuters Corp	Sep. 30, 2020	4.35	731,150
Tim Hortons Inc.	Jun. 01, 2017	4.20	1,224,238
Toronto Dominion Bank	Feb. 13, 2013	4.85	1,725,205
Toronto Dominion Bank	Aug. 02, 2016	2.95	1,951,357
Toronto Dominion Bank	Nov. 01, 2017	1.00	313,174
Toronto Dominion Bank	Apr. 02, 2020	5.48	381,080
Toronto Dominion Bank	Nov. 02, 2020	1.00	403,600
Wells Fargo Fin. Canada	Nov. 03, 2014	3.97	779,920
SHARES:			
3M Co.		--	1,153,696
Accenture PLC		--	474,536
Aflac Inc.		--	574,051

SCHEDULE 3
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2012
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Agrium Inc.		--	978,805
Altria Group Inc.		--	682,428
American Tower Corp.		--	60,728
Amerisourcebergen Corp.		--	715,284
Apple Inc.		--	1,732,294
Arc Resources Inc.		--	50,112
Bank of Montreal		--	1,215,751
Bank of New York Mellon Corp.		--	593,141
Bank of Nova Scotia		--	1,630,746
Baytex Energy Corp.		--	925,698
Blackpearl Resources Inc.		--	741,554
Borgwarner Inc.		--	1,208,155
CAE Inc.		--	355,945
Cameco Corp.		--	22,021
Canadian National Railway Co.		--	168,450
Canadian Natural Resources		--	4,151,654
Canadian Pacific Railway Ltd.		--	2,454,858
Canadian Tire Corp.		--	439,195
Celestica Inc.		--	269,236
Celgene Corp.		--	171,400
CGI Group Inc.		--	536,435
Check Point Software Tech.		--	875,189
Chevron Corp.		--	971,596
Church & Dwight Co. Inc.		--	544,306
Cooper Industries PLC		--	920,033
Crescent Point Energy Corp.		--	590,558
CVS Caremark Corp.		--	82,871
Dollarama Inc.		--	77,576
Eldorado Gold Corp.		--	920,183
Express Scripts Holding Co.		--	72,275
Express Scripts Inc.		--	1,128,894
Finning International Inc.		--	919,004
First Majestic Silver Corp.		--	268,196
First Quantum Minerals Ltd.		--	1,635,232
Fossil Inc.		--	1,497,586
Franklin Resources Inc.		--	641,053
Freeport McMoran Copper		--	1,447,607
GEAM International Private Equity		--	7,590,804
Gildan Activewear Inc.		--	1,113,108
Goldcorp Inc.		--	1,483,200
Google Inc.		--	917,322
Greystone Can Small Cap Fund		--	8,057,000
Greystone EAFE Growth Fund		--	11,760,770
Greystone EAFE Plus		--	132,641,618
Greystone EAFE Quant		--	57,342,164

SCHEDULE 3
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2012
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Greystone Real Estate Fund Inc.		--	17,910,454
Greystone US Strategic Growth		--	3,851,700
Greystone US Strategic Value		--	5,478,440
Halliburton Co.		--	1,179,345
Hewlett Packard Co.		--	1,101,936
Home Depot Inc.		--	52,805
Honeywell International Inc.		--	671,972
IGM Financial Inc.		--	192,717
Intact Financial Corp.		--	835,741
Intact Financial Corp. RCT		--	245,582
Intel Corp.		--	1,043,192
Intercontinental Exchange Inc.		--	128,829
Intl Business Machines Corp.		--	676,241
Ishares S&P/TSX 60 Index Fund		--	243,528
ITC Holdings Corp.		--	312,144
Johnson Controls Inc.		--	1,284,877
JP Morgan Chase & Co.		--	611,787
Kinross Gold Corp.		--	2,859,640
Magna International Inc.		--	1,740,125
Manulife Financial Corp.		--	1,502,723
Mastercard Inc.		--	871,221
McDermott Intl. Inc.		--	850,792
McDonald S Corp.		--	783,252
Mead Johnson Nutrition Co.		--	526,489
Medco Health Solutions Inc.		--	668,509
Meg Energy Corp.		--	811,925
Metro Inc.		--	404,801
Mosaic Co.		--	678,833
National Bank of Canada		--	1,015,187
National Oilwell Varco Inc.		--	813,537
Nexen Inc.		--	36,863
Occidental Petroleum Corp.		--	498,173
Open Text Corp.		--	450,424
Oracle Corp.		--	1,166,940
Pacific Rubiales Energy Corp.		--	1,223,616
Parker Hannifin Corp.		--	1,569,406
Petrominerales Ltd.		--	1,080,994
Pfizer Inc.		--	625,789
Potash Corp of Saskatchewan		--	2,273,339
Power Corp of Canada		--	2,147,751
Praxair		--	750,950
Precision Drilling Corp.		--	507,476
Priceline.com Inc.		--	461,652
Qualcomm Inc.		--	66,096
Rogers Communications		--	2,622,841

SCHEDULE 3
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2012
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Saputo Inc.		--	574,989
Semafo Inc.		--	914,104
Sino Forest Corporation		--	347,946
Suncor Energy Inc.		--	2,022,922
SXC Health Solutions Corp.		--	28,280
Talisman Energy Inc.		--	2,624,015
Teck Resources Ltd.		--	1,948,111
Thomson Reuters Corp.		--	1,098,304
Tim Hortons Inc.		--	448,634
Time Warner Cable		--	1,765,879
TJX Companies Inc.		--	1,313,387
Toronto Dominion Bank		--	2,208,389
Transcanada Corp.		--	201,059
Trican Well Service		--	1,415,858
Union Pacific Corp.		--	925,364
UnitedHealth Group Inc.		--	1,383,501
US Bancorp		--	660,165
Valeant Pharmaceuticals		--	1,813,173
Vermilion Energy Inc.		--	342,157
Viacom Inc.		--	622,131
Walmart Stores Inc.		--	1,624,667
Walter Energy Inc.		--	796,222
WW Grainger Inc.		--	49,866
Yamana Gold Inc.		--	211,264
Yum Brands Inc.		--	1,172,075
Brokerage Fees		--	129,501
SHORT-TERM:		--	1,056,702,277
TOTAL			$ **1,697,865,890**

SCHEDULE 4
TEACHERS' VOLUNTARY CONTRIBUTIONS FUND
SCHEDULE OF INVESTMENTS AND ACCRUED INTEREST, AS AT JUNE 30, 2012
(UNAUDITED)

Investments	2012 Total Fair Value ($000's)	2012 Accrued Interest ($000's)	2011 Total Fair Value ($000's)	2011 Accrued Interest ($000's)
Pooled Funds	$ 3,446	$ --	$ 3,820	$ --
Total	$ 3,446	$ --	$ 3,820	$ --

SCHEDULE 5
VOLUNTARY CONTRIBUTIONS FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2012
(UNAUDITED)

Investments	Fair Value
POOLED FUNDS:	
Greystone Canadian Equity Fund	$ 186,917
Greystone EAFE Growth Fund	172,719
Greystone EAFE Plus Fund	15,965
Greystone EAFE Quant Fund	85,925
Greystone US Equities Fund	16,890
Greystone Fixed Income Fund	102,049
Greystone Money Market Fund	198,218
TOTAL	**$ 778,683**

SCHEDULE 6
VOLUNTARY CONTRIBUTIONS FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2012
(UNAUDITED)

Investments	Fair Value
POOLED FUNDS:	
Greystone Canadian Equity Fund	$ 151,164
Greystone EAFE Growth Fund	13,337
Greystone EAFE Quant Fund	82,908
Greystone EAFE Plus Fund	190,402
Greystone US Equities Fund	68,489
Greystone Fixed Income Fund	377,903
Greystone Money Market Fund	124,207
TOTAL	**$ 1,008,410**

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